

of Philip Morris" are "working to make a difference." Indeed, to the 3,000 new children who each day try tobacco, it can be a life and death difference. One thousand of those children will eventually die or suffer from serious disease as a result of their tobacco use. Of course the "difference" that we hear about on television is not those children but the children who receive Philip Morris scholarships and shelters. We hear not how they addict people but how they feed them, not how they flood the market with nicotine but how they help flood victims. Indeed, ABC pointed out that Philip Morris has generously contributed \$115 million to such charitable activities.

But, wait, there was more that Philip Morris did not want the public to know. Although they spent \$115 million for charitable contributions, they spent \$150 million to publicize their charity. As John Stossel said, "Give me a break!" If Philip Morris really had such a big heart, why doesn't it just donate all the money to charity instead of wasting \$150 million on ads?

The reason, of course, is quite clear. Philip Morris has taken to heart more than most the old adage that charity begins at home. And for Philip Morris, spending \$115 million on charity is charity for itself.

As ABC has reported, internal Philip Morris documents show that charitable giving has been a key part of its strategy for years. Favorite philanthropies of Philip Morris include those who could "neutralize" women and minority groups, which might otherwise speak out against their being targeted for nicotine addiction. Those documents also indicate that Members of Congress and legislators around the country have not been forgotten—some of Philip Morris' favorite charities are the favorite charities of those policymakers that have the power to do something about the addiction and death business that is so critical to this company's future.

Indeed, I think that Matt Myers at the Campaign for Tobacco-Free Kids said it best: "These ads are not about charity. These ads are trying to convince Congress and juries that Philip Morris is reformed and responsible, so that the next time they have to walk into a courtroom or the halls of Congress, they can avoid real change."

Of course when they walk into the halls of Congress, they do not walk into strangers. Philip Morris spent from 1997 to 1999, just a 2-year period, about \$120 million on lobbying here in Washington. And it was generous with its contributions to the national political parties and to Members of Congress, contributing over \$11 million in PAC and soft money contributions during 1999.

At the same time Philip Morris was conducting this advertising campaign about its charitable giving, it was also

advertising that it no longer markets to children in ways that will attract 3,000 children to tobacco products every day. Of course, in other countries where it markets its deadly products, Philip Morris refuses to abide by any of those restrictions on the marketing to children. Philip Morris continues to play a key role in a worldwide pandemic that will be the largest killer, more than AIDS, more than the combined death toll of a long series of diseases that plague our planet. Philip Morris will be a part of the pandemic that will kill more people in this world than any of these other diseases put together over the next couple of decades.

But I think that for this Congress, it is important for us to realize the financial difference between the good deeds Philip Morris advertises and the amount it spends to promote those good deeds. Congress must react by giving the Food and Drug Administration the jurisdiction it needs over tobacco products, the Justice Department the support it needs to continue its lawsuit against the tobacco industry, and address the problem of Big Tobacco's involvement in smuggling around the world. As Members of Congress, we must respond responsively and responsibly to the growing problem of worldwide tobacco addiction and death, though Philip Morris has done neither.

PRESIDENT BUSH'S TAX PLAN AND ITS EFFECTS ON GUAM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Guam (Mr. UNDERWOOD) is recognized during morning hour debates for 5 minutes.

Mr. UNDERWOOD. Mr. Speaker, considering that the Committee on Ways and Means of the House of Representatives has begun hearings on President Bush's tax plan, I thought it important to speak about the impact such a plan will have on my home island, the territory of Guam.

At the outset, let me just say that I fully support tax relief for the people of Guam, as well as for hardworking taxpayers across the country, especially for middle- and low-income families. However, I think it would be irresponsible for me if I did not raise the concerns that the President's tax plan would have on Guam.

Unlike the rest of the Nation, Guam and the Virgin Islands are the only U.S. jurisdictions which have tax systems which mirror the U.S. Internal Revenue Code. This means that Guam's tax law mirrors the Internal Revenue Code as required under Guam's Organic Act of 1950. Whatever tax policies are implemented at the Federal level will take effect at the local level without input from the people of Guam or the government of Guam.

Unlike the States, however, the tax cuts for Guam will come from the gov-

ernment of Guam, not the Federal Government, since these revenues collected in accordance with the IRS code are deposited with the government of Guam. Therefore, the immediate issue here is the disruption of the revenue stream for the government of Guam, a concern which will have a direct impact on needed services by the government of Guam and the local economy.

The government of Guam anticipates a 30 to \$50 million reduction in revenues from the President's plan. Considering that the government of Guam is projecting \$243 million in income tax revenue for this year, such a decrease in revenue will greatly impact Guam. If the government of Guam had a surplus, I probably would not be speaking about this issue, but we do not. Guam's economy is still rebounding from the effects of the Asian financial crisis, particularly since much of our economy relies heavily on tourists from Japan and other Asian countries.

□ 1245

Guam's unemployment rate is a staggering 15 percent, more than three times the national average. It is for this reason that I am asking my House colleagues, particularly those who sit on the Committee on Ways and Means, to consider proposals that would ameliorate the anticipated loss in revenue, while strengthening both the local economy and providing needed services.

The easiest way, of course, is a direct offset by the Federal Government for the revenue lost that could be targeted for specific social and economic needs, like school construction and health care in Guam, and that could be phased in over the same period that the tax plan is phased in.

The other way would be for the Federal Government to consider several proposals that deal with tax equity for Guam, Federal obligations to Guam that have not been fully paid, or other important issues in this very complex Federal territorial relationship. These include tax equity for foreign investors in Guam; Federal payment for the Child Tax Credit; Federal payment for Earned Income Tax Credit; supplemental security income for U.S. citizens in Guam, a program that is not extended to U.S. citizens in Guam; lifting the Medicaid cap for Guam and adjusting the Federal Matching Rate; Compact Impact Aid for Guam; and reimbursement from the Immigration and Naturalization Service for the cost of detaining and housing foreign aliens.

Considering the implications of Federal policy on Guam and the other U.S. Territories, I think it is appropriate and responsible to raise these important issues in the context of the President's plan.

In the long term, I think it is incumbent upon the Government of Guam, the Guam legislature, and the Guam

business community to review Federal tax implications to Guam's economy and determine whether or not to delink from the U.S. Tax Code. But the immediate issue before us is the impact of the anticipated tax plan.

Last week I wrote to Treasury Secretary O'Neill urging him that special consideration be given for Guam and the U.S. Virgin Islands. I simply want Members of Congress and the White House and Treasury Department officials to understand the implications for any tax cut proposal on the operations of the Government of Guam and the impact to our communities, and I hope that we can work something out.

RECESS

The SPEAKER pro tempore (Mr. ISAKSON). Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 12 o'clock and 47 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LAHOOD) at 2 p.m.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer: "I love you O Lord, my strength." David prays this with such great abandonment.

Often when we pray, O Lord, it is with routine and out of daily concerns. But when overwhelmed with distress and responsibilities, we sometimes approach David's depths and cry out that You be our strength.

In this age of information and as a powerful Nation, we can easily be caught up in our own agenda and see no further; foolish enough to think that we can accomplish great deeds on our own.

But without You we can do nothing; nothing of lasting value, nothing of true significance, nothing that will touch the people around us and move them deeply.

Help us now, O Lord, as a Nation and as this governing body.

Shield us from moments of crisis and distress. Instead, renew in us the love You evidence in our history. Allow us to be so overwhelmed by Your loving presence today, that with all our hearts we may pray:

"I love You, O Lord, my strength" now and forever. Amen

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the

last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nebraska (Mr. OSBORNE) come forward and lead the House in the Pledge of Allegiance.

Mr. OSBORNE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

GOOD NEWS FOR AMERICA'S SENIORS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, today we have some good news for our Nation's senior citizens. Today we have the chance to make a promise to our seniors that Social Security and Medicare will be there for them when they need it. After all, it is only fair.

Americans pay into the Social Security and Medicare systems all of their lives; they deserve to know that their benefits will be there for them when they retire. The Social Security and Medicare Lockbox Act will lock away \$2.9 trillion in Social Security and Medicare trust funds guaranteeing that these precious funds are not spent on wasteful, big government programs.

This lockbox legislation is good news and reiterates our commitment to ensuring retirement security for America's seniors, today and in the future.

I encourage all of my colleagues, on both sides of the aisle, to support this important legislation and make a real commitment to our seniors by protecting the future of Social Security and Medicare.

HEATING FUEL COSTS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, home heating fuel costs have doubled. The companies blame OPEC and the bitter winter. Now if that is not enough to insulate your BVDs, these same companies are now saying, and I quote, they are losing money. Beam me up.

I say it is time to impose a \$100 million fine on this bunch of bric-a-bracin, ratchet-fratchet nincompoops who have a license to steal and are stealing from our constituents.

I yield back all of the gas of the beer drinkers association as an in-kind contribution to all of these poor, unprofitable, crying energy companies.

ENERGY CRISIS AS IT AFFECTS AGRICULTURE

(Mr. OSBORNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OSBORNE. Mr. Speaker, I would like to talk about energy as it affects agriculture. Due to high fuel prices, the cost of running farm machinery has skyrocketed. In addition, natural gas is necessary to manufacture fertilizers such as anhydrous ammonia. As the planting season approaches, anhydrous ammonia is almost impossible to obtain and extremely expensive if it can be found at all. As a result, the troubled agriculture industry is under even greater stress today than it ever has been.

As with most crises, there is also an opportunity. At the present time, we have an excellent opportunity to double or even triple the production of alternative fuels like ethanol and soy diesel. If we do this, three benefits will occur:

One, we lessen our dependence on foreign oil, and this will be good for the country.

Number two, we will reduce undesirable fuel emissions, and this will be good for the environment.

Number three, we will utilize surplus crops in a profitable manner, and this will be good for agriculture.

SOCIAL SECURITY AND MEDICARE LOCKBOX LEGISLATION

(Mr. GRAVES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRAVES. Mr. Speaker, for over 30 years, the Social Security and Medicare Part A trust funds have been used to distort the budget surplus numbers and mask deficits. This must not continue.

Today we have the opportunity to cast a vote that will end this shortsighted and fiscally irresponsible practice. Today we have the opportunity to lock away all surpluses in the Social Security and Medicare trust funds and ensure that these funds can only be spent to provide retirement and health care security for our seniors.

Mr. Speaker, the first step to saving Social Security and Medicare is to stop spending it on unrelated government programs. This is an essential first step to preserve and strengthen these programs for current and future retirees.

I urge my colleagues to send a clear message to all Americans and end the raid on Social Security and Medicare.

PROTECTING SOCIAL SECURITY AND MEDICARE

(Mr. OTTER asked and was given permission to address the House for 1